

## SAVING MONEY IN A JOBLESS ECONOMY



This past year has been dismal for those trying to save money. Many face unemployment, making saving nearly impossible. Others struggle with pay cuts, increased consumer prices, and other hardships. Unfortunately, the savings rates do not seem more hopeful in 2012. Presently, the typical savings account hardly pays 0.2%, and money-market funds have not exceeded 0.02% since March of this year. Do not expect any support from the government for your savings rates, because the Federal Reserve as promised to sit on short-term interest rates until no earlier than 2013. Over recent years, households have gained knowledge of managing debt. In 2011, the average credit card balance dropped \$500 to around \$7,000. Richard Barrington of MoneyRates.com does not seem optimistic about the health of savings. While savings rates for personal accounts has not yet reach the lows seen in 2007, with the present direction of the economy those figures are not out of reach. Financial expert suggest savers to take action. Take what the market presents, borrow judiciously and save using wisdom. Using this outline will start you down a path of successful saving in the new year. When looking for ways to save wisely, start by searching for yield. Online banking provides a great option, because it has less overhead than regular banks and can afford a higher yield. With a yield five times the national average, Discover Bank and American Express also give good options for those desiring a high yield savings account. Checking accounts at local banks may provide high-yields. These accounts often have rates higher than 2%. Trade-offs exist to receive this type of yield. For example, you may be required to commit to certain conditions to receive the rate. One type of commitment common in banks includes requiring you to make at least 10 debit card transactions monthly. A Partner at Novatas, Sherief Meleis, says, "Expect to see aggressive offers from banks, whether it's for a mortgage or a credit card." Although lending standard are not loosening, borrowing is profitable right now. November showed an average of 6.98% for home-equity loans, and credit card APRs hit lows of 7%. Reward cards also give you viable options for savings. With an excellent credit score, you may qualify for extraordinary offers. You can often find sign-up bonuses up to 25%. According to NerdWallet.com, those offers should continue throughout the new year. Although the economy may seem grim, there are still ways to save. If you cannot find a way to use any of these options, try setting aside a percentage of all your income under the mattress if need be. The percentage does not have to be great, something as small as 5% is bound to create a large difference in your savings abilities in this new year. Keep stashing away and working hard, and your savings can increase even in a difficult economic period.

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